

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2005 OF THE CONDITION AND AFFAIRS OF THE

Priority Health Government Programs

·		383 N Period)	IAIC Company Code	11520	Employer's ID Number	32-0016523
Organized under the Laws		Michigan	, State	e of Domicile of	or Port of Entry	Michigan
Country of Domicile				es of America		
Licensed as business type:	Life, Accident & Hea	lth []	Property/Casualty	[] Denta	al Service Corporation []	
	Vision Service Corpo	oration []	Other []	Healt	h Maintenance Organization	n [X]
	Hospital, Medical & [Dental Servic	e or Indemnity []	Is HN	MO, Federally Qualified? Yes	s[] No[X]
Incorporated/Organized	06/03/2	2002	Commence	10/01/2	2002	
Statutory Home Office	123	1 East Beltlir	ne NE		Grand Rapids, MI 495	525-4501
•	(Street and Numb	er)	.,	(City or Town, State and Z	'ip Code)
Main Administrative Office				31 East Beltlin		
	Rapids, MI 49525-4501 Town, State and Zip Code)				616-464-8325 Area Code) (Telephone Number)	
Mail Address	1231 East Bel	tline NF		,	Grand Rapids, MI 49525-4	4501
	(Street and Number		,		(City or Town, State and Zip Co	
Primary Location of Books a	nd Records				ast Beltline and Number)	
	Rapids, MI 49525-4501 Town, State and Zip Code)				616-464-8144	
Internet Website Address	rown, state and ZIP Code)		www pri	ority-health.co	Area Code) (Telephone Number)	
Statutory Statement Contact	. N	icholas Gate	•	only nearmoo	616-464-8144	
·	ates@priority-health.co	(Name)	-		(Area Code) (Telephone Number) 616-942-7916	(Extension)
	(E-mail Address)	JIII			(FAX Number)	
Policyowner Relations Conta	act		123	1 East Beltline	e NE	
Grand I	Rapids, MI 49525-4501	(Street and N	umber)		888-975-8102	
	Town, State and Zip Code)			(Area	Code) (Telephone Number) (Extensi	on)
			OFFICERS			
Name	011.6	Title		Name	011	Title
Kimberly K Horn Judith W Hooyenga		Executive O Secretary	fficer	Dennis J Re	ese , <u>Chie</u>	f Financial Officer
		C	THER OFFICE	RS	_	
James F Byrne	G	DIREC uv S Gauthie	TORS OR TRU	JSTEES		
James i Byme		dy o dautille				
State of	Michigan					
County of	Kent	SS				
The officers of this reporting ent above, all of the herein describe this statement, together with rela of the condition and affairs of th completed in accordance with that state rules or regulations recrespectively. Furthermore, the sc exact copy (except for formatting to the enclosed statement.	I assets were the absolute ted exhibits, schedules and estill reporting entity as of en NAIC Annual Statement puire differences in reporting tope of this attestation by the statement in the sta	e property of the dexplanations of the reporting Instructions and not related the described of the property of the described	e said reporting entity, free therein contained, annexe period stated above, and d Accounting Practices and o accounting practices and officers also includes the re	and clear from a dor referred to it of its income and Procedures maprocedures, accelated correspon	any liens or claims thereon, exce s a full and true statement of all d deductions therefrom for the p anual except to the extent that: (' cording to the best of their inform ding electronic filing with the NA	ept as herein stated, and that the assets and liabilities and beriod ended, and have been 1) state law may differ; or, (2) nation, knowledge and belief, LIC, when required, that is an
Kimberly K Chief Executiv			Dennis J Reese Chief Financial Office	ər		Hooyenga eretary
				a. Is	this an original filing?	Yes [X] No []
Subscribed and sworn to b 28th day of	efore me this February, 2005			b. If		
day 01	1 Columny, 2003			2.	Date filed	
Cheryl Britcher				3.	Number of pages attached	
Executive Administrative As 12/30/2011	sistant					

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

	IDENT AND HEALTH	· · · · · · ·				
1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
199999 Total individuals				í		
Group subscribers:						
Group subscribers: State of Michigan						259, 282
	,					, , ,
0299997 Group subscriber subtotal	259,282	0	0	0	0	259,282
D299998 Premiums due and unpaid not individually listed						
1299999 Total group	259,282	0	0	0	0	259,282
0299999 Total group						200,202
0499999 Premiums due and unpaid from Medicaid entities		I	I			
0599999 Accident and health premiums due and unpaid (Page 2, Line 13)	259,282	0	0	0	0	259,282
2000000 Notice in and Notatin promitting due and dispare (1 age 2, Line 10)	200,202	V		V	0	200,202

EXHIBIT 3 - HEALTH CARE RECEIVABLES

EXHIBIT 3 - HEALTH CARE RECEIVABLES											
1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted					
Individually Listed Receivables:	·										
0199998 - Aggregate of amounts not individually listed above.	49,371					49,371					
0199999 -	49,371					49,371					
0299998 - Aggregate of amounts not individually listed above.	48,500			0	0	48,500					
0299999 -	48,500			0	0	48,500					
State of Michigan	428,926		13,300	189,847	189,847	578,551					
0699998 - Aggregate of amounts not individually listed above.	0			0	0	0					
0699999 -	428,926		13,300	189,847	189,847	578,551					
ļ											
											
				I							
0799999 Gross health care receivables	526,797	136,325	13,300	189,847	189,847	676,422					

EXHIBIT 4 – CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

	Aging Analysis of Unpaid	Claims		-	_	-
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
Claims Unpaid (Reported)						
						
						<u> </u>
0199999 Individually listed claims unpaid	μ	Ω	0	0	0	0
0299999 Aggregate accounts not individually listed-uncovered	0.000.004					
0399999 Aggregate accounts not individually listed-covered	2,028,331					2,028,331
0499999 Subtotals	2,028,331	0	0	0	0	2,028,331
0599999 Unreported claims and other claim reserves						6,067,821
0699999 Total amounts withheld						40,024
0799999 Total claims unpaid						8,136,176
0899999 Accrued medical incentive pool and bonus amounts						654,289

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Adm	tted
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
ndividually Listed Receivables:		•			0	223,746	
Priority Health					n	50,000	
Individually Listed Receivables: Spectrum HealthPriority HealthPriority Health Managed Benefits, Inc	200,385				0	200,385	
0199999 Individually listed receivables	474 , 131	0	0	0	0	474 , 131	
0299999 Receivables not individually listed							
0399999 Total gross amounts receivable	474,131	0	0	0	0	474,131	

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5
Affiliate	Description	Amount	Current	Non-Current
Prioirty Health Managed Benefits, Inc	Management Fee Payable	608,764	608,764	
		000 704		0
0199999 Individually listed payables		608,764 22,550	608,764 22,550	0
U299999 Payables not individually listed		22,550	22,550	0
0399999 Total gross payables		631,314	631,314	0

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ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Priority Health Government Programs

EXHIBIT 7 PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS

	1	2	_ 3	4	5	6						
	Direct Medical	Column 1	Total	Column 3	Column 1	Column 1						
	Expense	as a %	Members	as a %	Expenses Paid to	Expenses Paid to						
Payment Method	Payment	of Total	Covered	of Total	Affiliated Providers	Non-Affiliated Providers						
Capitation Payments:												
1. Medical groups	0	0.0		0.0								
2. Intermediaries	0	0.0		0.0								
3. All other providers	25,612,725	38.0		0.0	25,612,725							
Total capitation payments	25,612,725	38.0	0	0.0	25,612,725	0						
Other Payments:												
5. Fee-for-service	6,457,582	9.6	XXX	XXX		6 , 457 , 582						
6. Contractual fee payments	0	0.0	XXX	XXX								
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX								
Bonus/withhold arrangements - contractual fee payments	35,301,880	52.4	XXX	XXX	35,301,880							
9. Non-contingent salaries	0	0.0	xxx	XXX								
10. Aggregate cost arrangements	 0	0.0	XXX	XXX								
11. All other payments	L 0	0.0	XXX	XXX								
12. Total other payments	41,759,462	62.0	XXX	XXX	35,301,880	6,457,582						
13. TOTAL (Line 4 plus Line 12)	67,372,187	100 %	XXX	XXX	60,914,605	6,457,582						

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1	2	3	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized
NAIC Code	Name of Intermediary	Capitation Paid	Capitation	Total Adjusted Capital	Control Level RBC
	NONE				
					
9999999 Totals			XXX	XXX	XXX

EXHIBIT 8 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

		1	2	3	4	5	6
Description	NON	ost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
Administrative furniture and equipment	INOIN						
Medical furniture, equipment and fixtures							
Pharmaceuticals and surgical supplies							
Durable medical equipment							
5. Other property and equipment							
6. Total		0	0	0	0	0	0



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Priority Health Government Programs

				_						(LOCA	TION)		
NAIC Group Code 3383 BUSINESS IN THE STATE	OF Michigan	Comprel	honeivo	<u> </u>	DURING THE YE	:AH 2005	ı				NAIC Compar	ny Code	11520
	1	(Hospital 8	R Medical)	4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	37 , 630	1,097							36,533				
2 First Quarter	40,787	1,080							39 , 707				
3 Second Quarter	42,734	1 , 109							41,625				
4. Third Quarter	45,225	1 , 133							44,092				
5. Current Year	46,828	1,148							45,680				
6 Current Year Member Months	520,658	13,408							507,250				
Total Member Ambulatory Encounters for Year:													
7. Physician	316,912	5,067							311,845				
8. Non-Physician	8,593	137							8,456				
9. Total	325,505	5,204	0	0	0	0	0	0	320,301	0	0	0	0
10. Hospital Patient Days Incurred	13,739	22							13,717				
11. Number of Inpatient Admissions	3,866	10							3,856				
12. Health Premiums Written	80,118,928	1,057,275							79,061,653				
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	79,986,656	1,055,529							78 , 931 , 127				
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	67 , 372 , 187	787 , 804							66,584,383				
18. Amount Incurred for Provision of Health Care Services	70,051,802	860,043							69,191,759				

(a) For health business: number of persons insured under PPO managed care products 0



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

NAIO Construction and a construction of the co	0			,	NUDINO TUE VE	AD 0005				(LOCA	TION)	0 - 1 -	11500
NAIC Group Code 3383 BUSINESS IN THE STATE OF	Consolidated	Compre	hensive	1	OURING THE YE	AH 2005					NAIC Compar	ny Code	11520
	1	(Hospital 8	Medical)	4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year		1,097	0	0	0	0	0	0	36 , 533	0	0	0	0
2 First Quarter	40,787	1,080	0	0	0	0	0	0	39,707	0	0	0	0
3 Second Quarter	42,734	1 , 109	0	0	0	0	0	0	41,625	0	0	0	0
4. Third Quarter	45,225	1,133	0	0	0	0	0	0	44,092	0	0	0	0
5. Current Year	46,828	1,148	0	0	0	0	0	0	45,680	0	0	0	0
6 Current Year Member Months	520,658	13,408	0	0	0	0	0	0	507,250	0	0	0	0
Total Member Ambulatory Encounters for Year:													
7. Physician	316,912	5,067	0	0	0	0	0	0	311,845	0	0	0	0
8. Non-Physician	8,593	137	0	0	0	0	0	0	8,456	0	0	0	0
9. Total	325,505	5,204	0	0	0	0	0	0	320,301	0	0	0	0
10. Hospital Patient Days Incurred	13,739	22	0	0	0	0	0	0	13,717	0	0	0	0
11. Number of Inpatient Admissions	3,866	10	0	0	0	0	0	0	3,856	0	0	0	0
12. Health Premiums Written	80 , 118 , 928	1,057,275	0	0	0	0	0	0	79,061,653	0	0	0	0
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned	79,986,656	1,055,529	0	0	0	0	0	0	78,931,127	0	0	0	0
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services	67 , 372 , 187	787,804	0	0	0	0	0	0	66,584,383	0	0	0	0
18. Amount Incurred for Provision of Health Care Services	70,051,802	860,043	0	0	0	0	0	0	69,191,759	0	0	0	0

(a) For health business: number of persons insured under PPO managed care products 0_____and number of persons under indemnity only products _____0

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

Book/adjusted carrying value, December 31, prior year	0
Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 11	0
2.2 Totals, Part 3, Column 7	0
Cost of acquired, (Totals, Part 2, Column 6, net of encumbances Column and Let of Column 9)	0
Cost of additions and permanent improvements:	
4.1 Totals, Part 1, Column 14.	0
4.2 Totals, Part 3, Column 9	0
Total profit (loss) on sales, Part 3, Column 14	0
Increase (decrease) by foreign exchange adjustment:	
6.1 Totals, Part 1, Column 12	0
6.2 Totals, Part 3, Column 8	0
Amounts received on sales, Part 3, Column 11 and Part 1, Column 13	0
Book/adjusted carrying value at end of current period	0
Subtotal (Lines 8 plus 9)	0
Total nonadmitted amounts	
Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	0
	2.2 Totals, Part 3, Column 7. Cost of acquired, (Totals, Part 2, Column 6, net of encumblances column and let of ditistic permanent improvements (Column 9). Cost of additions and permanent improvements: 4.1 Totals, Part 1, Column 14. 4.2 Totals, Part 3, Column 9. Total profit (loss) on sales, Part 3, Column 14. Increase (decrease) by foreign exchange adjustment: 6.1 Totals, Part 1, Column 12. 6.2 Totals, Part 3, Column 8. Amounts received on sales, Part 3, Column 11 and Part 1, Column 13. Book/adjusted carrying value at end of current period. Total valuation allowance. Subtotal (Lines 8 plus 9). Total nonadmitted amounts.

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest more agreement, the terminal results are recorded investment excluding accrued interest more agreement.
2.	Amount loaned during year:
	2.1 Actual cost at time of acquisitions
	2.2 Additional investment made after acquisitions0
3.	Accrual of discount and mortgage interest points and commitment fees
4.	Increase (decrease) by adjustment
5.	Total profit (loss) on sale
	Amounts paid on account or in full during the year
7.	Amortization of premium
8.	Increase (decrease) by foreign exchange adjustment
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period
10.	Total valuation allowance
11.	Subtotal (Lines 9 plus 10)
12.	Total nonadmitted amounts
13	Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Long-Term Invested Assets

1.	Book/adjusted carrying value of long-term invested assets and december 1 of the control of the c
2.	Cost of acquisitions during year:
	2.1 Actual cost at time of acquisitions
	2.2 Additional investment made after acquisitions
3.	Accrual of discount
4.	Increase (decrease) by adjustment
5.	
6.	Amounts paid on account or in full during the year
7.	Amortization of premium
8.	Increase (decrease) by foreign exchange adjustment
9.	Book/adjusted carrying value of long-term invested assets at end of current period
10.	Total valuation allowance
11.	Subtotal (Lines 9 plus 10)
12.	Total nonadmitted amounts
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)

SCHEDULE D - PART 1A - SECTION 1

	4	Quality and Maturi	ty Distribution of All B	Jilus Owned Decemb	er 31, at Book/Adjuste 1 5	a Carrying values by N	najor Types of Issues a		9	10	1 44
Quality Rating per the NAIC Designation	1 Voor or Loss	_	Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	/ Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Place (a)
1. U.S. Governments, Schedules D & I		J Teals	TO TEATS	Tillough 20 Teals	Over 20 Tears	Total Guiterit Tear	76 OI LINE 10.7	i noi reai	THOI TEAL	Haueu	(α)
1.1 Class 1	8,546,140	0	0	Λ	· n	8,546,140	100.0	0	0.0	8,546,140	
1.2 Class 2	٠٠٠٠, ١٠٠٥, ٥٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠٠	n	0	Ω	Λ	0,040,140	0.0	Λ	0.0	٠٠٠٠, ١٩٠٥	
1.3 Class 3	Ω	n	0	Ω	Λ	Ω	0.0	Λ	0.0	Ω	
1.4 Class 4	0	0	0	Ω	0	0	0.0	Λ	0.0	Ω	
1.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	
1.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	
1.7 Totals	8,546,140	0	0	0	0	8,546,140	100.0	0	0.0	8,546,140	
2. All Other Governments, Schedules	, ,	U	U	0	0	0,040,140	100.0	0	0.0	0,040,140	
2.1 Class 1	O & DA (GIOUP 2)	1	0	Λ	1	0	0.0	0	0.0	0	
2.2 Class 2	 1	Λ		 1		0 N	0.0	 N	0.0	 1	
2.3 Class 3	٠	Λ		Ω			0.0	 N	0.0	 Ω	
2.4 Class 4	Ω	0	Ω	Ω	Λ	Ω	0.0	 N	0.0	 Λ	
2.5 Class 5	Ω	n	0	Ω	Λ	Λ	0.0	 N	0.0	 1	
2.6 Class 6	Ω	0	0	Ω	0	Ω	0.0	O	0.0	Ω	
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	
3. States, Territories and Possessions	oto Guarantood So	hodulos D & DA (Grou	UD 3)	U	U	U	0.0	U	0.0	U	
3.1 Class 1	S etc., Guaranteeu, Sc	I a DA (GIOU	(D 3)	۸		0	0.0	0	0.0	0	
3.2 Class 2	 0		0		0 ∩	0 ∩	0.0	0	0.0	 0	
3.3 Class 3	٠	D				 n	0.0		0.0	 n	
3.4 Class 4	٠				Λ		0.0		0.0		
3.5 Class 5	٥	Λ	0 0			 0	0.0	 N	0.0	 0	
3.6 Class 6	Ω	n	Ω	Ω	Λ	Ω	0.0	 N	0.0	 N	
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	
4. Political Subdivisions of States, Ter	ritorios and Dassass	iona Guarantaad Sah	odulos D. S. DA (Group	4)	U	U	0.0	U	0.0	U	
4.1 Class 1	nitories and Possess	Ions, Guaranteed, Sch	L Caroup	4) ^		0	0.0	0	0.0	0	
4.1 Class 1					0	U	0.0	0	0.0	 n	
4.2 Class 2			 n	 n		 ^	0.0		0.0	 n	
4.4 Class 4		n	 n		n		0.0	 N	0.0	 n	
4.5 Class 5	 N	n	 O	ν		 N	0.0	 n	0.0	 Λ	
4.6 Class 6	 n	n		 Λ		 Λ	0.0	 N	0.0	ν	
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	
5. Special Revenue & Special Assessi	mont Obligations sta	Non-Guarantand Cab	odulos D & DA (Grava	. 5 \	U	U	0.0	U	0.0	U	
5.1 Class 1	nent Obligations etc.,	, Non-Guaranteed, Sch	ieuuies υ α υΑ (Group	0)	^	٥	0.0	٥	0.0	0	
5.1 Class 1		U	U		U	U	0.0	U	0.0		
5.2 Class 2	 n	U	 n	ν		 n	0.0		0.0	ν	
5.4 Class 4		n	U			U	0.0	U	0.0		
5.5 Class 5		n	U			U	0.0		0.0		
5.6 Class 6	 n	U		ν			0.0		0.0	ν	
5.7 Totals	Û	0	0	0	0	0	0.0	0	0.0	0	

SCHEDULE D - PART 1A - SECTION 1 (continued)

		Quality and Maturi	ty Distribution of All B	onds Owned Decemb	er 31, at Book/Adjuste	d Carrying Values by I	Major Types of Issues	and NAIC Designation		•	
	1		3 Over 5 Years Through		5	6	7 Col. 6 as a	8 Total from Col. 6	9 % From Col. 7	10 Total Publicly	11 Total Privately Place
Quality Rating per the NAIC Designation		5 Years	10 Years	Through 20 Years	Over 20 Years	Total Current Year	% of Line 10.7	Prior Year	Prior Year	Traded	(a)
6. Public Utilities (Unaffiliated), Sched	dules D & DA (Group 6	6)	•								
6.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	
6.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	
6.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	
6.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	
6.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	
6.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	
6.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	
7. Industrial & Miscellaneous (Unaffil	iated), Schedules D &	DA (Group 7)									
7.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	
7.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	
7.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	
7.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	
7.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	
7.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	(
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	(
8. Credit Tenant Loans, Schedules D	& DA (Group 8)										
8.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	
8.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	
8.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	
8.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	
8.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	
8.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	
9. Parent, Subsidiaries and Affiliates,	Schedules D & DA (G	iroup 9)									
9.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	
9.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	
9.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	
9.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	
9.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	
9.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	
9.7 Totals	0	0	0	Λ	0	n	0.0	0	0.0	0	

SCHEDULE D - PART 1A - SECTION 1 (continued)

		Quality and Maturi	ity Distribution of All Be	onds Owned Decembe	er 31, at Book/Adjuste	d Carrying Values by N	lajor Types of Issues	and NAIC Designation			•
	1	2	3	4	5	6	7	8	9	10	11
O PER	4.1/		Over 5 Years Through	Over 10 Years	0 00 1/	T	Col. 6 as a	Total from Col. 6	% From Col. 7	Total Publicly	Total Privately Placed
Quality Rating per the NAIC Designation	1 Year or Less	5 Years	10 Years	Through 20 Years	Over 20 Years	Total Current Year	% of Line 10.7	Prior Year	Prior Year	Traded	(a)
10. Total Bonds Current Year	0.540.440		2	0		0.540.440	400.0	WWW	WWW	0.540.440	
10.1 Class 1	8,546,140	U	0	U	D	8,546,140	100.0	XXXXX	XXX	8,546,140	
10.2 Class 2	U			U	D	U	0.0		XXX	U	
10.3 Class 3	U			U	D	U	0.0	XXX	XXX	U	0
10.4 Class 4	U	0	0	U	D	U	0.0	XXX	XXX	U	
10.5 Class 5	U	0	0	U	D	(c)U	0.0	XXX	XXX	U	
10.6 Class 6	0.510.410	U	0	U	U	(b) 0 5 10 110	0.0	XXX	XXX	0.540.440	U
10.7 Totals	8,546,140	0	0	0	0	(b)8,546,140	100.0	XXX	XXX	8,546,140	0
10.8 Line 10.7 as a % of Col. 6	100.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Class 1	0	0	0	0	0	XXX	XXX	0	0.0	0	
11.2 Class 2	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.3 Class 3	0	0	0	0	0	XXX	XXX	0	0.0	0	
11.4 Class 4	Q	0	0	0	Q	XXX	XXX	0	0.0	0	
11.5 Class 5	Q	0	0	0	Q	XXX	XXX	(c)0	0.0	0	
11.6 Class 6	0	0	0	0	0	XXX	XXX	(c)0	0.0	0	(
11.7 Totals	0	0	0	0	0	XXX	ХХХ	(b)0	0.0	0	0
11.8 Line 11.7 as a % of Col. 8	0.0	0.0	0.0	0.0	0.0	XXX	XXX	0.0	XXX	0.0	0.0
12. Total Publicly Traded Bonds											
12.1 Class 1	8,546,140	0	0	0	0	8,546,140	100.0	0	0.0	8,546,140	XXX
12.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	8,546,140	0	0	0	0	8,546,140	100.0	0	0.0	8,546,140	XXX
12.8 Line 12.7 as a % of Col. 6	100.0	0.0	0.0	0.0	0.0	100.0	XXX	ХХХ	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7,											
Col. 6, Section 10	100.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	XXX	(
13.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	XXX	
13.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	ХХХ	
13.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	XXX	
13.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	XXX	(
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	(
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7,											
Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

SCHEDULE D - PART 1A - SECTION 2

	Maturity Distribu	ution of All Bonds O	wned December 31.	at Book/Adjusted C	arrving Values by M	laior Type and Subt	vpe of Issues				
	1	2	3	4	5	6	7	8	9	10	11
		Over 1 Year	Over 5 Years	Over 10 Years	-		Col. 6 as a %	Total from Col 6	% From Col. 7	Total Publicly	Total Privately
Distribution by Type	1 Year or Less	Through 5 Years	Through 10 Years	Through 20 Years	Over 20 Years	Total Current Year	of Line 10.7	Prior Year	Prior Year	Traded	Placed
1. U.S. Governments, Schedules D & DA (Group 1)				Ĭ							
1.1 Issuer Obligations	8,546,140	0	0	0	Ω	8,546,140	100.0	0	0.0	8,546,140	0
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	8,546,140	0	0	0	0	8,546,140	100.0	0	0.0	8,546,140	0
2. All Other Governments, Schedules D & DA (Group 2)	, ,					, ,				, ,	
2.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-											
BACKED SECURITIES											
2.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories, and Possessions Guaranteed, Schedules D & DA (Group 3)	-	· · · · · · · · · · · · · · · · · · ·		·					***		·
3.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
3.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-											
BACKED SECURITIES											
3.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	Û	n	Û	0	0	0.0	0	0.0	0	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Sched	ules D & DA (Group 4)		·	•	•	Ů	0.0		0.0	•	·
4.1 Issuer Obligations	()	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES				***************************************					***************************************	••••••••	
4.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-											
BACKED SECURITIES											
4.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Sched	ules D & DA (Group 5)		·	<u> </u>	Ů	Ť	3.0		0.0		· · ·
5.1 Issuer Obligations	0	0	0	10	0	0	0.0	0	0.0	0	0
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
5.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined	0	0	0	0	Ω	0	0.0	0	0.0	0	0
5.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-											
BACKED SECURITIES											
5.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued) Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues												
	1	2	3	4	5	6	7	8	9	10	11	
		Over 1 Year Through	Over 5 Years	Over 10 Years			Col. 6 as a	Total from Col. 6	% From Col. 7	Total Publicly	Total Privately	
Distribution by Type	1 Year or Less	5 Years	Through 10 Years	Through 20 Years	Over 20 Years	Total Current Year	% of Line 10.7	Prior Year	Prior Year	Traded	Placed	
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0	
6.2 Single Class Mortgage-Backed/Asset-Based												
Securities	0	0	0	0	0	0	0.0	0	0.0	0	0	
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES												
6.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0	
6.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0	
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES												
6.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0	
6.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0	
6.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0	
7. Industrial & Miscellaneous (Unaffiliated), Schedul	les D & DA (Group 7)											
7.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0	
7.2 Single Class Mortgage-Backed/Asset-Based Securities	0	0	0	0	0	0	0.0	0	0.0	0	0	
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES												
7.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0	
7.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0	
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES												
7.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0	
7.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0	
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0	
8. Credit Tenant Loans, Schedules D & DA (Group 8	3)	•										
8.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0	
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0	
9. Parents, Subsidiaries and Affiliates, Schedules D	& DA (Group 9)											
9.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0	
9.2 Single Class Mortgage-Backed/Asset-Based Securities	0	0	0	0	0	0	0.0	0	0.0	0	0	
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES												
9.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0	
9.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0	
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES												
9.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0	
9.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0	
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0	

13.2 Single Class Mortgage-Backed/Asset-Backed Securities

13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10

13.3 Defined

13.5 Defined

13.4 Other

13.6 Other

13.7 Totals

13.8 Line 13.7 as a % of Col. 6.

MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES

MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Priority Health Government Programs

SCHEDULE D - PART 1A - SECTION 2 (continued)

Total From Col. 6 6 From Col. 7 Over 1 Year Over 5 Years Over 10 Years Total Col. 6 as a % Total Publicly Total Privately hrough 10 Years Through 20 Years Over 20 Years Prior Year Distribution by Type 1 Year or Less Through 5 Years Current Year of Line 10.7 Prior Year Traded Placed 10. Total Bonds Current Year .8,546,140 .8,546,140 .100.0 .8,546,140 10.1 Issuer Obligations ...0.0 .XXX. XXX. 10.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES XXX. ..0.0 10.3 Defined 10.4 Other 0.0 XXX XXX MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES XXX XXX 0.0. 10.5 Defined XXX XXX 10.6 Other 0 0.0 10.7 Totals 8.546.140 8.546.140 .100.0 XXX XXX 8.546.140 10.8 Line 10.7 as a % of Col. 6 100.0 0.0 0.0 0.0 0.0 100.0 XXX XXX XXX 100.0 0.0 11. Total Bonds Prior Year XXX. 11.1 Issuer Obligations 11.2 Single Class Mortgage-Backed/Asset-Backed Securities XXX XXX. ...0.0 MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES XXX. 11.3 Defined XXX. XXX. XXX. ...0.0 11.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES 11.5 Defined XXX XXX 0.0 XXX XXX 0 0 11.6 Other 11.7 Totals XXX XXX .0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 XXX XXX 0.0 11.8 Line 11.7 as a % of Col. 8 XXX 12. Total Publicly Traded Bonds .100.0 12.1 Issuer Obligations .8.546.140 .8.546.140 ..0.0 .8.546.140 XXX. 12.2 Single Class Mortgage-Backed/Asset-Backed Securities .0.0 ..0.0 ..XXX. MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 12.3 Defined .0.0 .0.0 ..XXX. .0.0 ..0.0 ..XXX.. 12.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES XXX. 12.5 Defined 0.0 12.6 Other 0.0 XXX 100.0 .8.546.140 ..0.0 XXX 12.7 Totals 0 0 0 0 100.0 XXX 100.0 12.8 Line 12.7 as a % of Col. 6. 100.0 0.0 .0.0 XXX XXX XXX 100.0 0.0 0.0 0.0 0.0 100.0 XXX XXX XXX 100.0 XXX 12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10 13. Total Privately Placed Bonds 0.0 0.0 13.1 Issuer Obligations

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SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS

	Short-Term Investments				
	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliate
Book/adjusted carrying value, prior year	0	0	0	0	
Cost of short-term investments acquired	19,867,135	19,867,135	0	0	
3. Increase (decrease) by adjustment	45,327	45,327	0	0	
Increase (decrease) by foreign exchange adjustment	0	0	0	0	
5. Total profit (loss) on disposal of short-term investments	0	0	0	0	
Consideration received on disposal of short-term investments	11,366,322	11,366,322	0	0	
7. Book/adjusted carrying value, current year		8,546,140	0	0	
8. Total valuation allowance	0	0	0	0	
9. Subtotal (Lines 7 plus 8)		8,546,140	0	0	
10. Total nonadmitted amounts	0	0	0	0	
11. Statement value (Lines 9 minus 10)		8,546,140	0	0	
12. Income collected during year	30,809	30,809	0	0	
13. Income earned during year	89.794	89.794	0	0	

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Schedule DB - Part A - VBY

NONE

Schedule DB - Part B - VBY NONE

Schedule DB - Part C - VBY

NONE

Schedule DB - Part D - VBY

NONE

Schedule DB - Part E - VBY NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S - Part 1 - Section 2

NONE

Schedule S - Part 2

NONE

SCHEDULE S - PART 3 - SECTION 2

Daimarraman Cadaa	l Assidant and Hastik Inc	as I isted by Dainsoning Cours	pany as of December 31. Current Year
Beinsurance Gedec	i Accideni and Healin Insuran	ce Lisiea by Beinsurina Comb	oanv as of December 31. Current Year

1	2	3	4	einsurance Ceded Accident and Health Insur	6	7	8	9	Outstanding 9	Surplus Relief	12	13
NAIC	2	3	7	3	l o	,	o o	Reserve Credit	10	11	Modified	1 1
Company	Federal ID						Unearned Premiums	Taken Other than for			Coinsurance	Funds Withheld
Company Code	Number	Effective Date	Name of Company	Location	Type	Premiums	(estimated)	Taken Other than for Unearned Premiums	Current Year	Prior Year	Reserve	Funds Withheld Under Coinsurance
90611	41 - 1366075	09/01/2000	Allianz Life Insurance Company.	Minnesota	SSL/1/L	132,272						
0299999 -	Total - Non-Aff	iliates				132,272						
		•			· · · · · · · · · · · · · · · · · · ·	• • • • • • • • • • • • • • • • • • • •						f
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					····			·····				t
0399999	Totale					132,272						
039999	าบเสเร					132,212						<u> </u>

SCHEDULE S - PART 4

						surance Ceded to U	nauthorized Compar						
1	2	3	4	5	6	7	8	9	10	11	12	13	14
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total Cols. (5+6+7)	Letters of Credit	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9+10+11+12+13 But Not in Excess of Col. 8
							NE						
·····													
l													
} 												 	
1199999	Totala												-
1199999	าบเสเร												l l

Schedule S-Part 5 Five-Year Exhibit of Reinsurance Ceded Business (000 Omitted)

		0000	iiiitteu <i>)</i>			
		1 2005	2 2004	3 2003	4 2002	5 2001
Α. (OPERATIONS ITEMS					
1.	Premiums	2	2	3	1	0
2.	Title XVIII-Medicare	0	0	0	0	0
3.	Title XIX-Medicaid	131	116	109	19	0
4.	Commissions and reinsurance expense allowance		0	0	0	0
5.	Total hospital and medical expenses		0	0	0	0
В. І	BALANCE SHEET ITEMS					
6.	Premiums receivable			0	0	0
7.	Claims payable		0	0	0	0
8.	Reinsurance recoverable on paid losses	0	0	0	0	0
9.	Experience rating refunds due or unpaid		0	0	0	0
10.	Commissions and reinsurance expense allowances unpaid		0	0	0	0
11.	Unauthorized reinsurance offset	0	0	0	0	0
	UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12.	Funds deposited by and withheld from (F)	0	0	0	0	0
13.	Letters of credit (L)	0	0	0	0	0
14.	Trust agreements (T)	0	0	0	0	0
15.	Other (O)	0	0	0	0	0

SCHEDULE S-PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

		1	2	3
		As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 10)	15,266,107	132,272	15,398,379
2.	Accident and health premiums due and unpaid (Line 13)	259,282		259 , 282
3.	Amounts recoverable from reinsurers (Line 14.1)	0		0
4.	Net credit for ceded reinsurance.	XXX	(132,272)	(132,272)
5.	All other admitted assets (Balance)	1,199,075		1,199,075
6.	Total assets (Line 26)	16,724,464	0	16,724,464
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	8,136,176	0	8, 136, 176
8.	Accrued medical incentive pool and bonus payments (Line 2)	654, 289		654,289
9.	Premiums received in advance (Line 8)	14,664		14,664
10.	Reinsurance in unauthorized companies (Line 18)	0		0
11.	All other liabilities (Balance)	3,259,266		3,259,266
12.	Total liabilities (Line 22)	12,064,395	0	12,064,395
13.	Total capital and surplus (Line 31)	4,660,069	XXX	4,660,069
14.	Total liabilities, capital and surplus (Line 32)	16,724,464	0	16,724,464
	NET CREDIT FOR CEDED REINSURANCE			
15.	Claims unpaid	0		
16.	Accrued medical incentive pool.	0		
17.	Premiums received in advance	0		
18.	Reinsurance recoverable on paid losses	0		
19.	Other ceded reinsurance recoverables	(132,272)		
20.	Total ceded reinsurance recoverables	(132,272)		
21.	Premiums receivable	0		
22.	Unauthorized reinsurance	0		
23.	Other ceded reinsurance payables/offsets	0		
24.	Total ceded reinsurance payable/offsets	0		
25.	Total net credit for ceded reinsurance	(132,272)		

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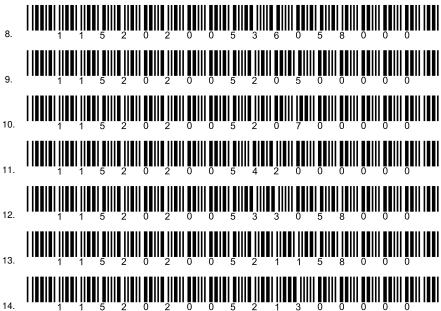
SCHEDULE Y PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES												
1	2	3	4	5	6	7	8	9	10	11	12	13
						Income/						
					Purchases, Sales or							
					Exchanges of	Incurred in						Reinsurance
					Loans, Securities,	Connection with		Income/		Any Other Material		Recoverable/
					Real	Guarantees or		(Disbursements)		Activity Not in the		(Payable) on Losses
NAIC			0	0 11 1	Estate, Mortgage Loans or Other	Undertakings for the Benefit of any	Management Agreements and	Incurred Under		Any Other Material Activity Not in the Ordinary Course of the Insurer's		and/or Reserve
Company	Federal ID	A COLUMN ACCUMENT	Shareholder	Capital	Loans or Other	Benefit of any	Agreements and	Reinsurance		the Insurer's	.	Credit
Code	Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Dividends	Contributions	Investments	Affiliate(s)	Service Contracts	Agreements	-	Business	Totals	Taken/(Liability)
11520	. 32-0016523 . 38-3085182	Priority Health Government Programs. Priority Health Managed Benefits					(6,770,924) 6,770,924				(6,770,924) 6,770,924	
	30-3000102	Priority hearth managed benefits			•		0,770,924		· · · · · · · · · · · · · · · · · · ·	•	0,770,924	
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9999999 C	ontrol Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory

	MARCH FILING	Responses
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the Risk-based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the Risk-based Capital be filed with the state of domicile, if required by March 1?	YES
	APRIL FILING	
5.	Will Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Investment Risks Interrogatories be filed by April 1?	YES
	JUNE FILING	
7.	Will an audited financial report be filed by June 1?	YES
hich t	llowing supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code ment is required of your company but is not filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogations.	will be printed below. If the
	MARCH FILING	
8.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	N0
9.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	N0
10.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	N0
11.	Will the Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	N0
	APRIL FILING	
12.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile by April 1?	N0
13.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	N0
14.	Will the Supplemental Property/Casualty data due April 1 be filed with the state of domicile and the NAIC?	N0
XPL	ANATION:	
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